

TDS TELECOM'S POSITION ON THE DEFINITION OF UNIVERSAL SERVICE
CC Docket No. 96-45 – Universal Service Joint Board

- The national telecommunications policy calling for state and federal actions to “**preserve and advance**” universal service (§254) and promote the timely “**availability of advanced telecommunications capability to all Americans**” requires:
 - Support for **core** universal services and an **evolving** level of universal services
 - Sufficient (but not excessive) support to provide nationwide access to **advanced telecommunications** and information **services** and **reasonably comparable** rural and urban rates and services
 - Improving regulation and removing barriers to infrastructure investment as needed to encourage **nationwide broadband deployment**
- To “**preserve universal service**,” the current FCC and Joint Board adopted **core** universal service definition must apply to all Eligible Telecommunications Carriers (ETCs) and must continue as a condition for receiving support
- To “**advance universal service**,” the Joint Board needs to recommend support mechanisms that “**evolve**” **network capabilities**
 - The Joint Board should recommend **removing caps on universal service support**, which will foster upgrades to broadband-capable loops even under today’s universal service definition
 - The Joint Board may want to recommend including broadband capability in the definition and providing **support** for specific ETC plans and actions **to evolve** so support could be available during planned upgrades and tailored to each ETC’s technology
 - It is **too early** on the demand curve – and thus prohibitively expensive (almost \$11 billion for NECA member areas alone) – to mandate universal access to broadband capability or high speed Internet access
 - **Dial up Internet** access is so widely available that the Joint Board should consider a recommendation to add it to the universal service definition
- The Joint Board should recommend **removing barriers to investment** to promote nationwide broadband deployment
 - The **support caps** should also be removed because they are barriers to broadband deployment.
 - The **all-or-nothing rules** on affiliates pool and incentive regulation participation should be repealed to promote efficiency that will foster rural network investment
- The Joint Board should recommend **changes in the portability rules** to protect consumers from paying too much to support universal service
 - Support should be strictly limited to ensure that any recipient is **actually providing** or **actively evolving** toward the supported capability
 - The Joint Board should recommend enforcement of the Act’s requirement that support be used **only for the intended purpose**
 - Since ILEC costs are used to calculate competitive ETC support, **strict certification** and perhaps **audits** are necessary to prevent windfalls for competitive ETCs at consumer expense
 - Since ILEC support is based on actual accounts, rules and formulas, current procedures ensure that support is only used for the intended purposes

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